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CPYRGHT

CPYRGHT Disagrees on State of Soviet Economy

I do not agree with your correspondent, Bernard Gwertzman, who, referring to certain United States officials, claims in his article of January 10, 1964 that the Soviet economy has reached the point of stagnation. As far as I know, stagnation means a total decline in production and employment, stockpiling of unsold commodities, closing-down of factories, etc.

Nothing of the kind is happening in the USSR. There has not been a single postwar year showing any curtailment of production and occupation. On the contrary, if we take the volume of industrial production for 1953 as 100, it, by the beginning of 1964, added up to 270. In the period 1953-1962 gross agricultural production rose by 70 per cent (I have omitted 1963 as being an untypical year with a severe drought and crop failure). Lastly, the number of production and office workers engaged in the national economy increased by 28.3 million since 1952, aggregating 70.5 million by the beginning of this year, and this, mind you, in conditions of intensive automation and mechanization of production and absence of unemployment.

Your writer says that

George W. Ball, Undersecretary of State, and the Central Intelligence Agency both declared that the Soviet rate of economic growth fell to less than 2.5 per cent in 1962 and 1963. This is false: The rate has always been and continues to be high. Industrial production in the USSR shot up by 9.2 per cent in 1961, 9.5 per cent in 1962, and 8.5 per cent in 1963. Materially, each per cent comes to mean more and more every year: 8.5 per cent today far surpasses in this respect the 9 or 10 per cent increase of five years ago.

Taking the rate of economic growth as a whole (increase of the gross national product in the last two years), we see that the index for 1963 equals 15 per cent, which, at least, is double the figure given by the CIA.

Mr. Ball claims that in the past 12 years the gap between the output volume of the USA and USSR has widened in favor of the former. He makes use of the indices of the cost of production, which include the cost of services, which is an instance of repeated figures. But to get more exact figures, you have to turn to the physical output volume indices, and the moment you do, you will see

whether the gap is widening or not.

The USSR smelted some 38 million tons of steel in 1953 (or equal to 37 per cent of United States output), and 80.2 million tons in 1963 (or equal to 80 per cent of United States output). Our country manufactured 15.9 million tons of cement in 1953 (or equal to 35 per cent of United States manufacture), and 61 million tons in 1963 (or equal to 104 per cent of United States production). The Soviet Union in 1953 put out about 92,000 metal-cutting machine tools (230,000 in the United States or 2.5 times more than in the USSR), while in 1963 we made 183,000 machine tools, compared to only 145,000 in the United States (statistics for 1962).

I could quote other facts and figures showing that the gap between the output volume of the USA and USSR is narrowing, and not widening.

On the whole, gross industrial production of the USSR in 1963 amounted to 65 per cent of that of the United States, as compared to 33 per cent in 1953 and 47 per cent in 1957.

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